

TITLE 49
MOTOR VEHICLES

CHAPTER 12
MOTOR VEHICLE FINANCIAL RESPONSIBILITY

49-1201. DEPARTMENT TO ADMINISTER -- COURT REVIEW. (1) The department shall administer and enforce the provisions of this chapter.

(2) Any person aggrieved by an order or an act of the department, may, within ten (10) days after notice[,] file a petition in the district court for Ada County for a review. The filing of such a petition shall not suspend the order or act unless a stay shall be allowed by a judge of the court pending final determination of the review. The court shall summarily hear the petition and may make any appropriate order or decree.

[49-1201, added 1988, ch. 265, sec. 291, p. 726.]

49-1202. DEPARTMENT TO FURNISH OPERATING RECORD. The department shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter providing fees have been paid pursuant to section [49-202](#), Idaho Code. Personal information contained in the operating record shall be exempt from disclosure as provided in [chapter 2, title 49](#), Idaho Code. The abstract shall also fully designate the motor vehicles, if any, registered in the name of the person. If there is no record of any conviction of the person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by that person, the department shall so certify. These abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident.

[49-1202, added 1988, ch. 265, sec. 292, p. 726; am. 1992, ch. 115, sec. 23, p. 372; am. 1997, ch. 80, sec. 12, p. 191.]

49-1203. COURTS TO REPORT NONPAYMENT OF JUDGMENTS -- NONRESIDENTS. (1) Whenever any person fails within sixty (60) days to satisfy a judgment, it shall be the duty of the clerk of the court, or of the judge of a court, which has no clerk, in which a judgment is rendered within this state, to forward to the department immediately after the expiration of the sixty (60) days, a certified copy of the judgment.

(2) If the defendant named in any certified copy of a judgment reported to the department is a nonresident, the department shall transmit a certified copy of the judgment to the official in charge of the issuance of drivers' licenses of the state of which the defendant is a resident.

[49-1203, added 1988, ch. 265, sec. 293, p. 726; am. 1990, ch. 45, sec. 32, p. 103.]

49-1204. SUSPENSION FOR NONPAYMENT OF JUDGMENTS. (1) Upon receipt of a certified copy of a judgment, the department shall suspend, except as provided in section [49-1207](#), Idaho Code, the driver's license or the nonresident's driving privilege of any person against whom the judgment was rendered.

(2) If the judgment creditor consents in writing, in a form as the department may prescribe, that the judgment debtor be allowed a driver's li-

cense or nonresident's driving privilege, he may so be allowed by the department, in its discretion, for six (6) months from the date of consent and thereafter until consent is revoked in writing, notwithstanding default in the payment of the judgment, or of any installments prescribed in section [49-1207](#), Idaho Code, provided the judgment debtor furnishes proof of financial responsibility.

[49-1204, added 1988, ch. 265, sec. 294, p. 727, am. 1990, ch. 45, sec. 33, p. 104.]

49-1205. SUSPENSION TO CONTINUE UNTIL JUDGMENTS PAID AND PROOF GIVEN. The driver's license and nonresident's driving privilege shall, except as provided in section [49-1207](#), Idaho Code, remain suspended and shall not be renewed, nor shall any driver's license be issued in the name of that person, including any person not previously licensed, unless and until every judgment is stayed, satisfied or discharged and proof of financial responsibility is given. A discharge in bankruptcy shall not be deemed a satisfaction of judgment unless the person gives proof of financial responsibility.

[49-1205, added 1988, ch. 265, sec. 295, p. 727; am. 1990, ch. 45, sec. 34, p. 104.]

49-1206. PAYMENTS SUFFICIENT TO SATISFY REQUIREMENTS. Judgments in excess of the amounts specified in section [49-117](#), Idaho Code, shall, for the purpose of this chapter only, be deemed satisfied when payments in the amounts specified have been credited. Payments made in settlement of any claims because of bodily injury, death or property damage arising from a motor vehicle accident shall be credited in reduction of the respective amount specified.

[49-1206, added 1988, ch. 265, sec. 296, p. 727.]

49-1207. INSTALLMENT PAYMENT OF JUDGMENTS -- DEFAULT. (1) A judgment debtor upon due notice to the judgment creditor may apply to the court in which judgment was rendered for the privilege of paying the judgment in installments and the court may, in its discretion and without prejudice to any other legal remedies which the judgment creditor may have, so order and fix the amounts and times of payment of the installments.

(2) The department shall not suspend a driver's license or a nonresident's driving privilege, and shall restore any driver's license or nonresident's driving privilege suspended following nonpayment of a judgment, when the judgment debtor gives proof of financial responsibility and obtains an order permitting the payment of the judgment in installments, and while the payment of any installment is not in default.

(3) In the event the judgment debtor fails to pay any installment as specified by such order, then upon notice of default, the department shall suspend the driver's license or nonresident's driving privilege of the judgment debtor until the judgment is satisfied, as provided in this chapter.

[49-1207, added 1988, ch. 265, sec. 297, p. 728; am. 1990, ch. 45, sec. 35, p. 104.]

49-1208. PROOF REQUIRED UPON CERTAIN CONVICTIONS. (1) If a person is not licensed, but by final order or judgment is convicted of, or forfeits any bail or collateral deposited to secure an appearance for trial, or has entered a plea of guilty for, any offense requiring the suspension or revocation of the driver's license, or for operating a motor vehicle upon the highways without being licensed to do so, no driver's license shall be issued to that person and his driving privilege shall remain suspended or revoked until he gives and maintains proof of financial responsibility. Such person shall be required to verify proof of financial responsibility for a three (3) year period commencing with the last day of the suspension or revocation.

(2) Whenever the department or a court suspends, or the department revokes a resident's driver's license or nonresident's driving privilege by reason of a conviction, forfeiture of bail, or upon a plea or finding of guilty, the license or privilege shall remain suspended or revoked unless the person shall have previously given or shall immediately give and maintain proof of financial responsibility. Such person shall be required to verify proof of financial responsibility for a three (3) year period commencing with the last day of the suspension or revocation.

(3) Any person who is convicted of violating the provisions of either section [49-1229](#), [49-1232](#) or [49-1428](#), Idaho Code, for the first time shall give and maintain proof of financial responsibility throughout the one (1) year period following the conviction. Any person convicted for a second or any subsequent time of violating the provisions of section [49-1229](#), [49-1232](#) or [49-1428](#), Idaho Code, within a five (5) year period, shall give and maintain proof of financial responsibility throughout the three (3) year period following such conviction. The department shall notify any person subject to this subsection of the requirements for maintaining proof of financial responsibility for a second and any subsequent conviction. The driver's license and driving privileges shall remain suspended unless the person gives and maintains proof of financial responsibility throughout either the one (1) year or the three (3) year period following such conviction.

(4) Whenever a person is required to maintain proof of financial responsibility, and who is not a resident of Idaho, files and maintains proof of financial responsibility in his home state the department shall reinstate the person's driving privileges as long as proof of financial responsibility is maintained in the person's home state.

[49-1208, added 1988, ch. 265, sec. 298, p. 728; am. 1989, ch. 310, sec. 25, p. 798; am. 1990, ch. 45, sec. 36, p. 105; am. 1990, ch. 432, sec. 3, p. 1199; am. 1992, ch. 115, sec. 24, p. 373; am. 1998, ch. 110, sec. 28, p. 411; am. 1998, ch. 423, sec. 1, p. 1335; am. 1999, ch. 81, sec. 17, p. 260; am. 2001, ch. 74, sec. 3, p. 176.]

49-1212. EXPRESSED, PERMITTED AND IMPLIED PROVISIONS OF MOTOR VEHICLE LIABILITY POLICY. (1) An owner's policy of liability insurance shall:

(a) Designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is to be granted; and

(b) Insure the person named therein and any other person, as insured, using any such described motor vehicles with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of the motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each motor vehicle, as provided in section [49-117](#), Idaho Code.

(2) An operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth in subsection (1) of this section with respect to an owner's policy of liability insurance.

(3) A motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided in accordance with the coverage defined in this chapter as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this chapter.

(4) A motor vehicle liability policy shall not insure any liability under any worker's compensation law as provided in [title 72](#), Idaho Code, nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any described motor vehicle nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

(5) Every motor vehicle liability policy shall be subject to the following provisions which need not be contained therein:

(a) The policy may not be canceled or annulled as to any liability by any agreement between the insurance carrier and the insured after the occurrence of any injury or damage covered by the motor vehicle liability policy.

(b) Satisfaction by the insured of a judgment for injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of the injury or damage.

(c) The insurance carrier shall have the right to settle any claim covered by the policy, and if the settlement is made in good faith, the amount shall be deductible from the limits of liability referenced in subsection (1) (b) of this section.

(d) The policy and its written application, if any, and any rider or endorsement which does not conflict with the provisions of this chapter shall constitute the entire contract between the parties.

(6) Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy, and any excess or additional coverage shall not be subject to the provisions of this chapter. With respect to a policy which grants an excess of additional coverage the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this section.

(7) Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this chapter.

(8) Any motor vehicle liability policy may provide for the prorating of the insurance with other valid and collectible insurance.

(9) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one (1) or more insurance carriers, which policies together meet the requirements of this chapter.

(10) Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy.

(11) Notwithstanding any other provisions of this section or section [49-2417](#), Idaho Code, when the negligent operation of a loaned vehicle results in the death or injury to a person or damage to personal property and at the time of the negligent operation of the loaned vehicle the operator is insured under a motor vehicle liability policy complying with the financial responsibility law of this state, then primary coverage for the death of or injury to a person or damage to personal property shall be provided by the operator's motor vehicle liability policy. When an operator's policy provides liability or physical damage coverage for damage to the loaned vehicle, that coverage shall be primary and shall be limited to the lower of the reasonable cost to repair or the owner's actual cost to replace the loaned vehicle. The insurance policy of the owner of the loaned vehicle shall provide secondary or excess coverage for the death of or injury to a person or personal property.

(a) For the purpose of this subsection, "loaned vehicle" means a motor vehicle which is provided for temporary use without charge to the operator by an entity licensed under [chapter 16, title 49](#), Idaho Code, for the purpose of demonstrating the vehicle to the operator as a prospective purchaser, or as a convenience to the operator during the repairing or servicing of a motor vehicle for the operator, regardless of whether such repair or service is performed by the owner of the loaned vehicle or by some other person or business.

(b) Should the owner of a motor vehicle receive any compensation from or on behalf of the operator for the temporary use of the motor vehicle, excluding any compensation provided to the owner as a result of the repairing or servicing of a motor vehicle for the operator, the owner's insurance coverage shall be primary and the operator's motor vehicle insurance shall be secondary or excess.

(12) No motor vehicle liability policy providing coverage beyond state mandated minimum limits shall provide a reduced level of coverage to any insured's family or household member or other authorized user except as provided in section [41-2510](#), Idaho Code.

[49-1212, added 1988, ch. 265, sec. 302, p. 730; am. 2000, ch. 232, sec. 1, p. 651; am. 2007, ch. 307, sec. 1, p. 859; am. 2013, ch. 217, sec. 1, p. 511.]

49-1213. NOTICE OF CANCELLATION OR TERMINATION OF CERTIFIED POLICY. When an insurance carrier has certified a motor vehicle liability policy under section [49-1210](#), Idaho Code, the insurance so certified shall not be cancelled or terminated until at least ten (10) days after a notice of cancellation or termination of the insurance so certified shall be filed with the department. A policy subsequently procured and certified shall, on the effective date of its certification, terminate the insurance previously certified with respect to any motor vehicle designated in both certificates.

[49-1213, added 1988, ch. 265, sec. 303, p. 732; am. 1992, ch. 115, sec. 27, p. 373.]

49-1214. NOT TO AFFECT OTHER POLICIES. (1) This chapter shall not be held to apply to or affect policies of motor vehicle insurance against liability which may now or hereafter be required by any other law of this state, and such policies, if they contain an agreement or are indorsed to conform to

the requirements of this chapter, may be certified as proof of financial responsibility under this chapter.

[49-1214, added 1988, ch. 265, sec. 304, p. 732.]

49-1217. OWNER MAY GIVE PROOF FOR OTHERS. Whenever any person required to give proof of financial responsibility is or later becomes an operator in the employ of any owner, or is or later becomes a member of the immediate family or household of the owner, the department shall accept proof given by the owner in lieu of proof by the other person to permit that other person to operate a motor vehicle.

[49-1217, added 1988, ch. 265, sec. 307, p. 733; am. 1989, ch. 88, sec. 46, p. 189; am. 1992, ch. 115, sec. 28, p. 374.]

49-1220. DURATION OF PROOF -- WHEN PROOF MAY BE CANCELED OR RETURNED. (1) The department shall upon request consent to the immediate cancellation of any certificate of insurance, or the department shall waive the requirement of filing proof, in any of the following events:

(a) At any time after one (1) year or three (3) years from the date the proof was required, as provided in section [49-1208](#), Idaho Code, when, during the one (1) year or three (3) year period preceding the request, the department has not received record of a conviction or a forfeiture of bail which would require or permit the suspension or revocation of the driver's license or nonresident's operating privilege of the person by or for whom the proof was furnished; or

(b) In the event of the death of the person on whose behalf the proof was filed or the permanent incapacity of the person to operate a motor vehicle; or

(c) In the event the person who has given proof surrenders his driver's license to the department.

(2) Whenever any person whose proof has been canceled or returned applies for a driver's license within a period of one (1) year or within a period of three (3) years from the date proof was originally required, as provided in section [49-1208](#), Idaho Code, the application shall be refused unless the applicant shall reestablish proof for the remainder of the one (1) year or three (3) year period.

[49-1220, added 1988, ch. 265, sec. 310, p. 734; am. 1989, ch. 88, sec. 48, p. 190; am. 1998, ch. 423, sec. 2, p. 1336; am. 2001, ch. 74, sec. 7, p. 178.]

49-1221. TRANSFER OF REGISTRATION TO DEFEAT PURPOSE -- PROHIBITED. If an owner's registration has been suspended under the provisions of this chapter, that registration shall not be transferred nor the motor vehicle in respect of which the registration was issued registered in any other name until the director is satisfied that the transfer of registration is proposed in good faith and not for the purpose or with the effect of defeating the purposes of this chapter. Nothing in this section shall be construed to apply to or affect the registration of any motor vehicle sold by a person who, pursuant to the terms or conditions of any written instrument giving a right of repossession, has exercised that right and has repossessed that motor vehicle from a person whose registration has been suspended under the provisions of this chapter.

[49-1221, added 1988, ch. 265, sec. 311, p. 735.]

49-1222. SURRENDER OF IDAHO DRIVER'S LICENSE. Any person whose Idaho driver's license shall have been suspended, canceled or revoked as provided in this chapter, or whose policy of insurance or bond, when required under this chapter, shall have been canceled or terminated, or who shall neglect to furnish other proof upon request of the department, shall immediately return his driver's license to the department. If any person shall fail to return to the department the driver's license as required, the department may direct any peace officer to secure its possession and return the driver's license to the department. At the end of the period of suspension, cancellation or revocation, the driver may apply for a duplicate driver's license, provided that the driver is eligible and has fulfilled all reinstatement requirements.

[49-1222, added 1988, ch. 265, sec. 312, p. 735; am. 1989, ch. 88, sec. 49, p. 190; am. 1992, ch. 115, sec. 29, p. 374; am. 2008, ch. 18, sec. 5, p. 28.]

49-1223. EXCEPTIONS FROM CHAPTER. (1) This chapter shall not apply with respect to any motor vehicle owned by the United States, the state, any municipality or other political subdivision.

(2) Sections [49-1212](#), [49-1229](#), [49-1230](#) and [49-1232](#), Idaho Code, shall not apply to vehicles defined in section [67-7101](#), Idaho Code, provided that the owner or operator of such vehicle has procured other liability insurance applicable to the use of the vehicle upon public roads consistent with section [49-1428](#), Idaho Code. Such other liability insurance coverage is not required to meet the policy requirements stated in sections [49-1212](#) and [49-1229](#), Idaho Code.

[49-1223, added 1988, ch. 265, sec. 313, p. 736; am. 2009, ch. 159, sec. 1, p. 477.]

49-1224. SELF-INSURERS. (1) Any person in whose name more than twenty-five (25) motor vehicles are registered and titled in Idaho, or engaged in the operation of a railroad, street railway system or public utility subject to the regulation of the public utilities commission irrespective of the number of vehicles registered, may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the department.

(2) The department may, in its discretion, issue a certificate of self-insurance and certificate of liability insurance in a form as the department prescribes when the department is satisfied that the person is possessed and will continue to be possessed of ability to pay judgments obtained against that person upon application, and providing a statement by a certified public accountant attesting the applicant's net worth is five hundred thousand dollars (\$500,000), a list of vehicles and an application fee of seventy dollars (\$70.00) which shall be deposited in the state highway account.

(3) The self-insurer will be required to submit an annual financial statement showing net worth of five hundred thousand dollars (\$500,000), a list of vehicles and a seventy dollar (\$70.00) issue fee to be deposited in the state highway account.

(4) Upon not less than five (5) days' notice and a hearing pursuant to the notice, the department may upon reasonable grounds cancel a certificate of self-insurance. Failure to pay any judgment within thirty (30) days after

a judgment shall have become final shall constitute a reasonable ground for the cancellation of a certificate of self-insurance.

[49-1224, added 1988, ch. 265, sec. 314, p. 736; am. 1992, ch. 115, sec. 30, p. 374; am. 2009, ch. 331, sec. 6, p. 958.]

49-1225. ASSIGNED RISK PLANS. After consultation with insurance companies authorized to issue automobile liability policies in this state, the director of insurance shall approve reasonable plans for the equitable apportionment among those companies of applicants for policies and for motor vehicle liability policies who are in good faith entitled to but are unable to procure policies through ordinary methods. When a plan has been approved, all those insurance companies shall subscribe to and participate in the plan. Any applicant for a policy, any person insured under such a plan, and any insurance company affected, may appeal to the director of insurance from any ruling or decision of the manager or committee designated to operate the plan. Any person aggrieved hereunder by any order or act of the director of insurance may, within ten (10) days after notice of it, file a petition in the district court of Ada County, Idaho, for a review. The court shall summarily hear the petition and may make an appropriate order or decree.

[49-1225, added 1988, ch. 265, sec. 315, p. 736.]

49-1226. CHAPTER NOT TO PREVENT OTHER PROCESS. Nothing in this chapter shall be construed as preventing the plaintiff in any action at law from relying for relief upon other processes provided by law.

[49-1226, added 1988, ch. 265, sec. 316, p. 737.]

49-1229. REQUIRED MOTOR VEHICLE INSURANCE. (1) Every owner of a motor vehicle which is registered and operated in Idaho by the owner or with his permission shall continuously, except as provided in section [41-2516](#), Idaho Code, provide insurance against loss resulting from liability imposed by law for bodily injury or death or damage to property suffered by any person caused by maintenance or use of motor vehicles described therein in an amount not less than that required by section [49-117](#), Idaho Code, and shall demonstrate the existence of any other coverage required by this title or a certificate of self-insurance issued by the department pursuant to section [49-1224](#), Idaho Code, for each motor vehicle to be registered.

(2) A motor vehicle owner who prefers to post an indemnity bond with the director of the department of insurance in lieu of obtaining a policy of liability insurance may do so. Such bond shall guarantee that any loss resulting from liability imposed by law for bodily injury, death or damage to property suffered by any person caused by accident and arising out of the operation, maintenance and use of the motor vehicle sought to be registered shall be paid within thirty (30) days. The indemnity bonds shall guarantee payment in an amount no less than fifty thousand dollars (\$50,000) for any one (1) accident of which fifteen thousand dollars (\$15,000) is for property damage, for each vehicle registered up to a maximum of one hundred twenty thousand dollars (\$120,000) for five (5) or more vehicles.

(3) Any bond given in connection with this chapter shall be, and shall be construed to be, a continuing instrument and shall cover the period for which the motor vehicle is to be registered and operated. Such bond shall be

on a form approved by the director of insurance with a surety company authorized to do business in the state.

(4) A motor carrier shall continuously provide insurance against loss resulting from liability imposed by law or by rule of the department and shall comply with the insurance requirements of section [49-1233](#), Idaho Code.

(5) It is an infraction punishable by a fine of seventy-five dollars (\$75.00) for any person to violate the provisions of this section for the first time. A second and any subsequent conviction for a violation of the provisions of this section or the provisions of section [49-1232](#) or [49-1428](#), Idaho Code, within a period of five (5) years shall be a misdemeanor, punishable by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in the county jail not exceeding six (6) months, or both. The department shall notify any person convicted of a violation of this section of the penalties which may be imposed for a second and any subsequent conviction.

[49-1229, added 1988, ch. 265, sec. 317, p. 737; am. 1990, ch. 432, sec. 4, p. 1199; am. 1998, ch. 423, sec. 3, p. 1337; am. 1999, ch. 81, sec. 18, p. 261; am. 1999, ch. 383, sec. 8, p. 1063.]

49-1230. PROOF OF COMPLIANCE. Before any applicant required to register his motor vehicle may do so the applicant shall certify the existence of automobile liability insurance covering the motor vehicle on a form prescribed by the department. The department may immediately cancel the registration card and license plates of the vehicle upon notification that the insurance certification was not correctly represented.

An owner of a motor vehicle who ceases to maintain the insurance required in accordance with this chapter shall immediately surrender the registration card and license plates for the vehicle to the department and may not operate or permit operation of the vehicle in Idaho until insurance has again been furnished as required in accordance with this chapter and the vehicle is again registered and licensed.

[49-1230, added 1988, ch. 265, sec. 318, p. 738.]

49-1231. CERTIFICATE OF LIABILITY INSURANCE -- HOW ACQUIRED. (1) A certificate of liability insurance to be effective must be issued by an insurance or surety company authorized to do business in this state, by an authorized agent of such a company, or by the director of the department of insurance. The certificate of liability insurance shall be in a form prescribed by the director of the department of insurance. Upon purchase or renewal of a policy of insurance or upon request of its insured, an insurance or surety company or its authorized agent shall issue a certificate of liability insurance and present it to its insured. An insurance or surety company or its authorized agent shall not charge a fee for a certificate of liability insurance.

(2) When to the satisfaction of the director of the department of insurance it appears that a bond or cash deposit complying with the requirements of this chapter has been deposited with him, he shall issue to the motor vehicle owner a certificate of liability insurance.

[49-1231, added 1988, ch. 265, sec. 319, p. 738.]

49-1232. CERTIFICATE OR PROOF OF LIABILITY INSURANCE TO BE CARRIED IN MOTOR VEHICLE. (1) A certificate or proof of liability insurance shall be in

the possession of the operator of every motor vehicle or present in every motor vehicle at all times when the vehicle is operated within this state. The certificate or proof of liability insurance shall be provided for inspection to any peace officer upon request to the operator of any motor vehicle. No person shall be convicted of violating this section if that person produces at any time prior to conviction the certificate or proof of liability insurance covering the motor vehicle that person is accused of operating in violation of this section, where the certificate or proof of liability insurance demonstrates the existence of liability insurance described in section [49-1212](#), Idaho Code, which was in effect at the time of occurrence of the violation. The certificate or proof of liability insurance required by this section may be produced in either paper or electronic format. Acceptable electronic formats include display of electronic images on a cellular phone or any other type of portable electronic device.

(2) If the court has not ordered the department to suspend the driving privileges of any person convicted of a violation of the provisions of this section, the department may rescind the suspension action, only if the driver can prove by sufficient evidence that the legally required motor vehicle insurance or other required evidence of financial responsibility was in force and effect at the time of the issuance of the citation. No reinstatement fee will be assessed for rescinding the suspension action under this section.

(3) It is an infraction punishable by a fine of seventy-five dollars (\$75.00) for any person to violate the provisions of this section for the first time. A second and any subsequent conviction for a violation of the provisions of this section or the provisions of section [49-1229](#) or [49-1428](#), Idaho Code, within five (5) years shall be a misdemeanor, punishable by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in the county jail not exceeding six (6) months, or both. The department shall notify any person convicted of a violation of this section of the penalties which may be imposed for a second and any subsequent conviction.

[49-1232, added 1988, ch. 265, sec. 320, p. 739; am. 1990, ch. 432, sec. 5, p. 1200; am. 1998, ch. 275, sec. 1, p. 906; am. 1998, ch. 423, sec. 4, p. 1338; am. 1999, ch. 81, sec. 19, p. 262; am. 2012, ch. 147, sec. 1, p. 417.]

49-1233. MOTOR CARRIER FINANCIAL RESPONSIBILITY -- EXEMPTIONS -- BOARD RULES. (1) Before registering any motor carrier for transporting persons or property, the department shall require verification from the motor carrier that it has obtained and has in effect liability and property damage insurance, or has a surety bond written by an insurer licensed to furnish such insurance in this state or by a surety company authorized to write surety bonds in this state, or who qualifies as a self-insurer pursuant to the provisions of section [49-1224](#), Idaho Code.

(2) A motor carrier, unless exempted under the provisions of subsection (4) of this section, shall file with the department proof of liability and property damage insurance, surety bond, or proof of self-insurance in such form as the board shall prescribe. It shall be kept in full force and effect, and failure to do so shall be cause for revocation of the registration of the motor carrier.

(3) Insurance carriers shall file a notice with the department at least thirty (30) days before the effective date of any termination of insurance or surety bond or of a reduction in insurance below the amounts set by the board.

(4) Exemptions. The following intrastate motor carriers shall not be exempt from coverage in the amounts required by the provisions of section [49-117](#), Idaho Code, but shall be exempt from the motor carrier liability and property damage insurance coverage required herein by rule of the board:

(a) Motor vehicles employed solely in transporting school children and teachers to or from school or to and from approved school activities, when the motor vehicles are either:

(i) Wholly owned and operated by such school, or

(ii) Leased or contracted by such school and the motor vehicle is not used in the furtherance of any other commercial enterprise; or

(b) Taxicabs or other motor vehicles performing a licensed or franchised taxicab service, having a seating capacity of not more than seven (7) passengers within twenty-five (25) miles of the boundaries of the licensing or franchising jurisdiction; or

(c) Motor vehicles owned or operated by or on behalf of hotels and used exclusively for the transportation of hotel patrons between hotels and local railroads or airports or other common carrier stations; or

(d) Motor vehicles controlled and operated by any farmer when used in the transportation of his farm equipment or in the transportation of supplies to his farm; or

(e) Motor vehicles used exclusively in the distribution of newspapers; or

(f) Transportation of persons or property by motor vehicle at an airport when incidental to transportation by aircraft or other transportation in substitution for scheduled airline service when the carrier cannot provide the scheduled service because of weather and/or mechanical conditions and the transportation is arranged for and paid by the affected airlines; or

(g) Transportation of persons and/or property, including mobile and modular houses manufactured with wheels and undercarriage as part of the substructure, but not transportation of other houses, buildings or structures within a municipality or territory contiguous to such municipality if such operation outside such municipality be a part of a service maintained within the limits of the municipality with the privilege of transfer of passengers to vehicles within the municipality without additional fare; or

(h) The transportation of agricultural products including fresh fruits and vegetables, livestock, livestock feed or manure; or

(i) Motor propelled vehicles for the sole purpose of carrying United States mail or property belonging to the United States; or

(j) Motor carriers transporting products of the forest; or

(k) Motor carriers transporting products of the mine including sand, gravel and aggregates thereof, except petroleum products; or

(l) Motor carriers transporting household goods as defined by the federal surface transportation board; or

(m) Vehicles properly equipped, designed and customarily used for the transportation of disabled or abandoned vehicles by means of a crane, hoist, tow bar, dolly or roll bed, which vehicle shall be known as a "wrecker (tow truck)."

(5) The board shall promulgate rules to implement the provisions of this section, establishing by rule the amount of liability coverage to be carried for personal injury suffered by one (1) person while being transported in any vehicle, any additional amounts for all persons receiving

personal injury, and such amount for damage to the property of any person other than the insured. The board is further authorized to adopt temporary rules as necessary.

[49-1233, added 1999, ch. 383, sec. 9, p. 1064.]

49-1234. ONLINE INSURANCE VERIFICATION SYSTEM -- PEACE OFFICER DUTIES -- RULEMAKING. (1) The department shall establish and maintain an online insurance verification system for motor vehicle insurance coverage required by the provisions of this chapter, subject to the following:

(a) The department shall consult with representatives of the insurance industry to determine the objectives, details and deadlines relating to the verification system;

(b) The verification system shall be accessible through the internet, world wide web or a similar proprietary or common carrier electronic system by authorized personnel of the department, department of insurance, courts, law enforcement entities and of any other entity authorized by the department;

(c) The verification system shall provide for direct inquiry and response between the department and insurance carriers, or such other method of inquiry and response as agreed to by the department and individual insurance carriers;

(d) The verification system shall be capable of sending inquiries to and receiving responses from insurers for the purpose of verifying current motor vehicle insurance coverage via web services established by insurers through the internet, world wide web or a similar proprietary or common carrier electronic system, in compliance with the specifications and standards of the insurance industry committee on motor vehicle administration (IICMVA), provided that the department shall promulgate rules to provide insurers an alternative method for verifying motor vehicle insurance policy data rather than establishing web services or utilizing IICMVA's insurance data transfer guide;

(e) With the exception of unplanned system outages, the verification system shall be available twenty-four (24) hours a day to verify the insurance status of any motor vehicle registered in this state through the vehicle's identification number, policy number, national association of insurance commissioners' (NAIC) code or registered owner's name; provided that a reasonable amount of downtime may be allotted for planned system outages;

(f) The verification system shall include appropriate provisions, consistent with IICMVA standards, to secure its data against unauthorized access and to maintain a record of all information requests; and

(g) All information exchanged between the department and insurance companies, any database created, all information contained in the verification system and all reports, responses or other information generated for the purposes of the verification system shall be exempt from disclosure as provided in section [74-106](#), Idaho Code.

(2) As a condition for writing motor vehicle liability insurance policies in this state, insurance carriers shall cooperate with the department in establishing and maintaining the insurance verification system and shall provide access to motor vehicle insurance policy status information as may be provided in rules promulgated by the department.

(3) Insurers that make good faith efforts to comply with the provisions of this section shall be immune from civil or administrative liability related to this section.

(4) The department shall establish a program to match information from the online insurance verification system with motor vehicle registrations to determine whether owners of motor vehicles have established financial responsibility. The department shall suspend the registration of any motor vehicle identified by the department as having failed to comply with the financial responsibility requirements. The program shall include:

(a) Insurers reporting data to the verification system monthly;

(b) The department performing a periodic match at least monthly of the information from the online insurance verification system with motor vehicle registrations to determine whether owners of motor vehicles have established financial responsibility;

(c) An initial notice to an owner of a motor vehicle who is shown to not have established or maintained financial responsibility for two (2) consecutive months. Such notice shall provide thirty (30) days for an owner to comply with the financial responsibility requirements or to notify the department of exemption before suspension of an owner's registration will be effective;

(d) A final notice of immediate suspension of registration shall be mailed to an owner of a motor vehicle who does not establish financial responsibility after being given thirty (30) days to comply with such requirement;

(e) That the department may offer, and that an owner may consent to, the sending of all eligible notices by e-mail in lieu of sending such notices through the mail;

(f) The opportunity for an owner to provide a certificate or proof of liability insurance prior to any action taken against the registration;

(g) That a registration may not be reinstated unless evidence of insurance is provided to the department and a reinstatement fee of seventy-five dollars (\$75.00) is paid to the department. These fees shall be deposited into the state highway account. These fees are in addition to any other applicable fines, penalties, and fees;

(h) That an owner may lawfully suspend vehicle insurance pursuant to section [41-2516](#), Idaho Code; and

(i) That an owner may notify the department when exempt from the requirement to possess proof of vehicle financial responsibility for reasons allowed by Idaho Code or pursuant to rules promulgated by the department. If an exemption applies, the department shall mark the registration record as exempt and such registration shall not be suspended.

(5) Peace officers shall access information from the online insurance verification system to verify the current validity of motor vehicle liability insurance. If insurance is verified, then the peace officer shall not issue a citation for an infraction violation of the provisions of section [49-1232](#), Idaho Code.

(6) If an Idaho uniform citation is issued to a person for an infraction violation of the provisions of section [49-1232](#), Idaho Code, and it is subsequently found that the legally required motor vehicle insurance coverage was in force at the time of the issuance of the citation, then the court shall dismiss the citation without penalty and such citation shall not appear on the person's record.

(7) This section shall not apply to any vehicle insured under commercial motor vehicle coverage and shall not apply to implements of husbandry and golf carts. As used in this section, "commercial motor vehicle coverage" means an insurance policy that covers a business's vehicles and employees.

(8) The department may promulgate rules in accordance with the provisions of [chapter 52, title 67](#), Idaho Code, to carry out the provisions of this section.

[49-1234, added 2012, ch. 103, sec. 1, p. 275; am. 2013, ch. 291, sec. 1, p. 767; am. 2015, ch. 141, sec. 128, p. 475; am. 2016, ch. 141, sec. 1, p. 407; am. 2019, ch. 269, sec. 1, p. 787.]